



Institute for Economics of Natural
Resources and Climate Change



XIII Annual Conference on the Global Economy

Just Low-Carbon Transition: Towards Shared Vision of the BRICS Countries

Igor Makarov

Head of School of World Economy,
Director of Institute for Economics of
Natural Resources and Climate Change

HSE University





BRICS and just energy transition

- Kazan Declaration calls for just energy transition. Just Energy Transition Report is published within BRICS Energy Research Cooperation Platform in 2024
- Concept still remains vague. Just energy transition: it is about vulnerable social groups, vulnerable regions or vulnerable countries?
- Kazan Declaration (2024): *“We reiterate the need to take into account national circumstances, including climate and natural conditions, the structure of national economy and energy mix as well as the specific circumstances of those developing **countries** whose economies heavily depend on income or consumption of fossil fuels and related energy-intensive products to achieve just energy transitions”*
- Rio de Janeiro Declaration (2025): *“We emphasize that ensuring accessible, timely and affordable climate finance for developing countries is critical for enabling just transitions pathways that combine climate action with sustainable development”*
- COP30 in Belem (2025) – United Arab Emirates just transition work programme: vague document underlining need for “justice” in relation to vulnerable groups and developing countries
- BRICS can lead in shaping shared principles for just energy transition. These principles may be published in a form of joint declaration. We propose 7 principles



1. Aligning climate action with other Sustainable Development Goals

- Climate action should not undermine other SDGs
- There are often trade-offs between energy transition and overcoming poverty (SDG1) and inequality (SDG7), food (SDG2) and energy security (SDG7)
- This principle recognizes diverse understanding of green energy transition in different countries: focus on vulnerable regions or vulnerable social groups...

SUSTAINABLE DEVELOPMENT GOALS

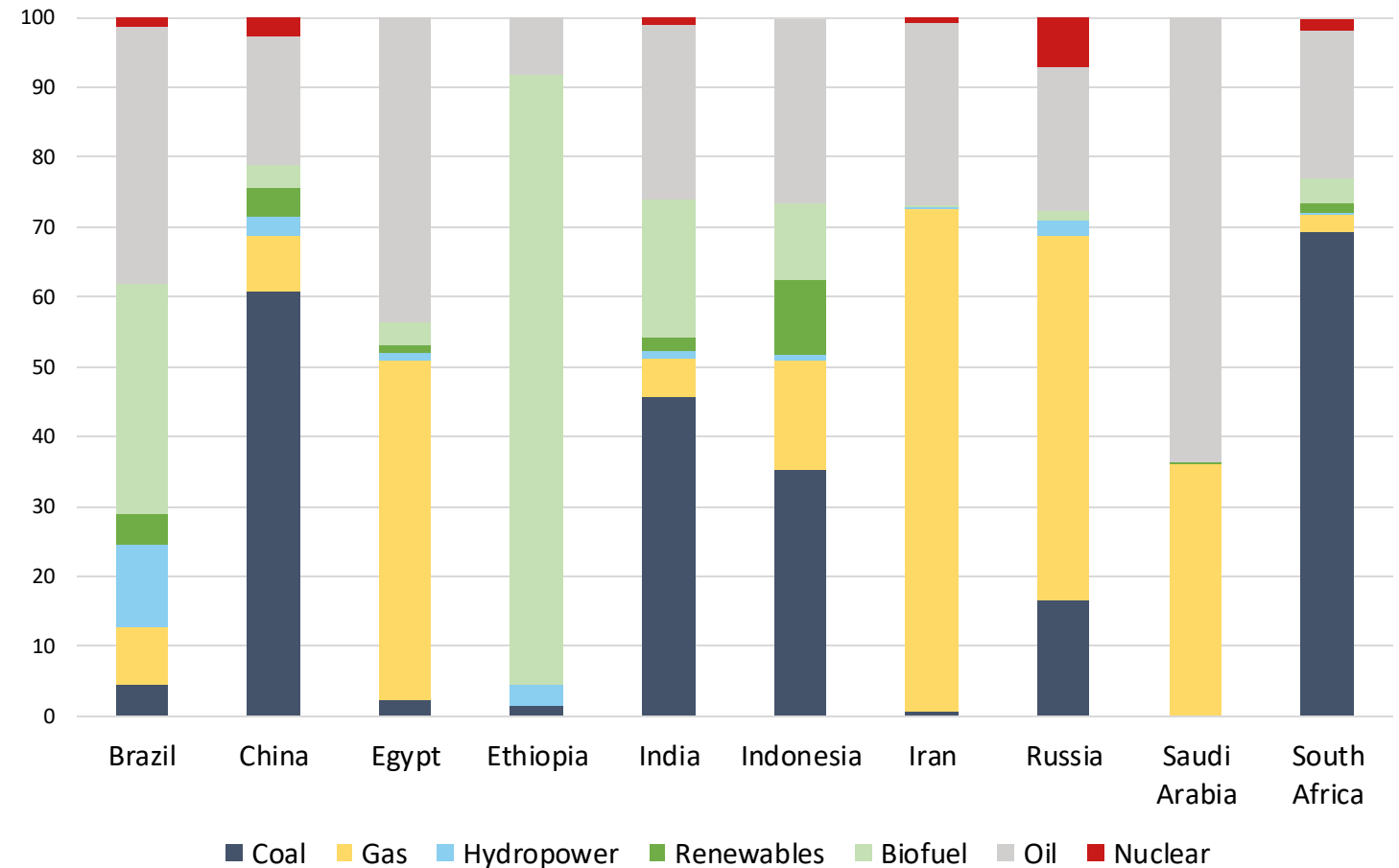




2. Technological neutrality

- No low-carbon technology or emission reduction pathway is universally preferred to others
- Any country may choose any dominant channels of emissions reduction, including nuclear energy, biofuels, energy saving, shift from coal to gas or from oil to gas, CO₂ absorption by ecosystems or CCS

The structure of total primary energy supply in 2023



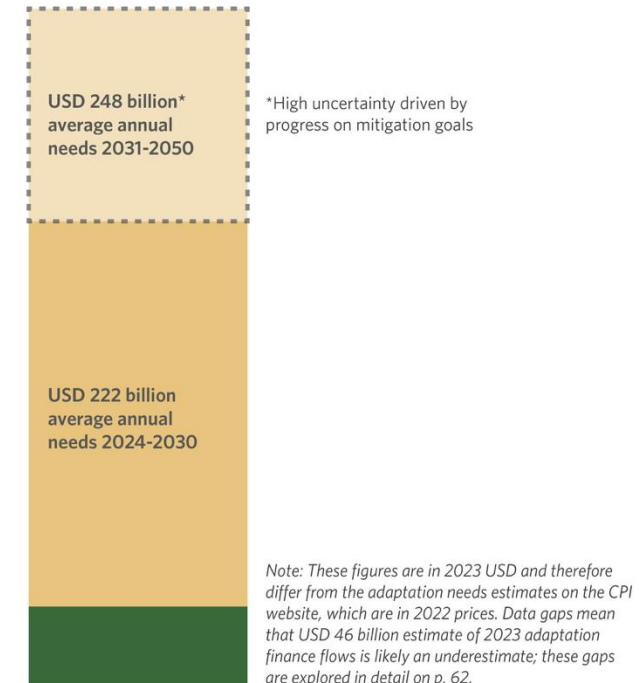


3. Balancing mitigation and adaptation

- Most developing countries are not major greenhouse gas emitters, yet they suffer from climate change caused largely by the activities of advanced economies.
- It's difficult to mobilize private capital for adaptation
- At least half of all climate finance mobilized through official channels (UN funds, bilateral aid, and multilateral financial institutions) should be allocated to adaptation.

Global adaptation finance flows vs. needs

Figure 16: 2023 adaptation flows vs. needs for EMDEs



Source: Climate Policy Initiative

Source: Climate Policy Initiative (2025)



4-5. Fostering dialogue between exporting and importing countries

4. Fostering dialogue between exporters and importers of fossil fuels

- Helps avoiding confrontation that undermines climate efforts
- Calls of some economies to abruptly phase out of fossil fuels are unrealistic
- Dialogue ensures a gradual, just transition
- Helps stabilize importers' energy prices and allows exporters to replace declining oil and gas revenues

5. Fostering dialogue between exporters and importers of carbon-intensive products

- Unilateral trade barriers (e.g. EU CBAM) are not constructive
- Developing countries' specialization in carbon-intensive industries is not their fault but a consequence of the global division of labor shaped by globalization, which was driven by the Global North
- Reducing emissions from carbon-intensive production – regardless of its geographic origin – is a shared responsibility of all humankind
- Negotiations should concern joint effort for emissions reduction along the whole value chain



6. Accounting consumption-based emissions along with the production-based ones

- Consumers of carbon-intensive goods are not less responsible for emissions than producers
- Excessive consumption, especially in the Global North, should be one of the major drivers of climate policies

CO₂ emissions from fossil fuel combustion calculated by production and consumption in 2023, MtCO₂

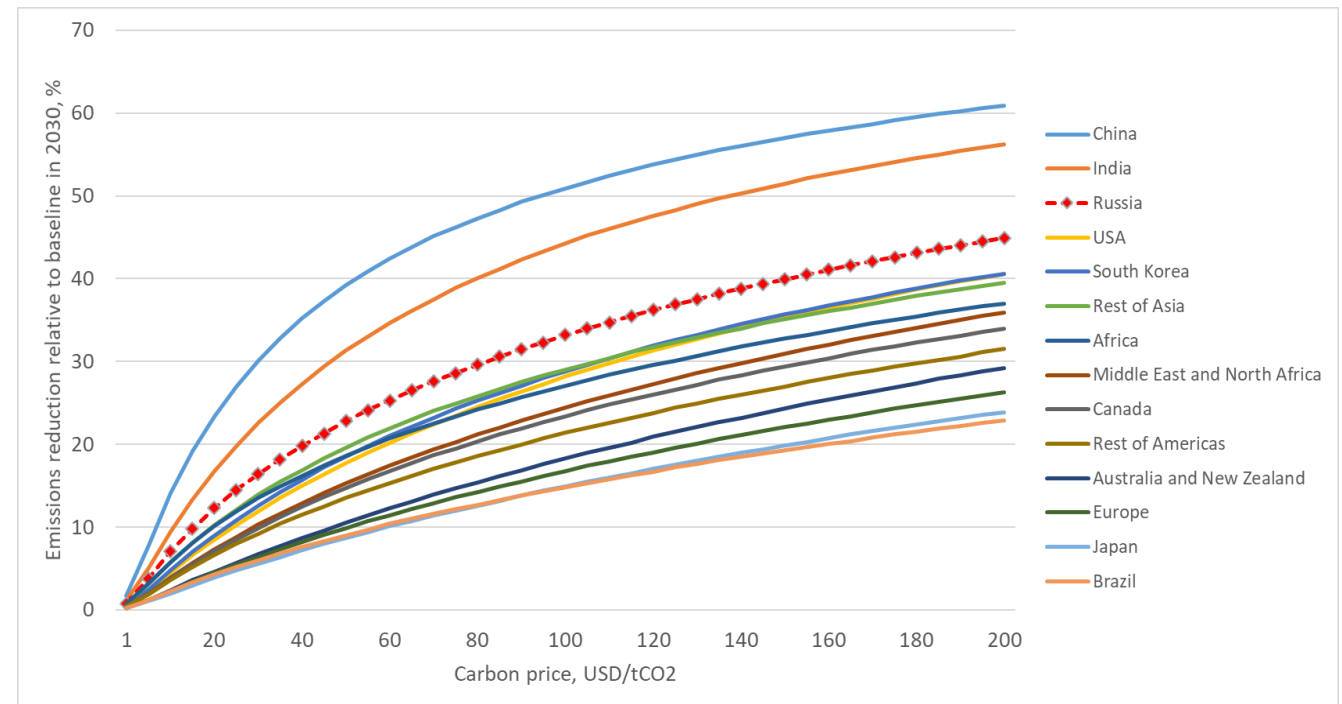
BRICS	Production-based emissions	Consumption-based emissions	Net emissions export	Share in production-based emissions	G7	Production-based emissions	Consumption-based emissions	Net emissions export	Share in production-based emissions
Brazil	484,0	470,0	14,0	2,9%	Canada	545,4785	519,9425	25,5	4,7%
China	12172,0	10857,0	1315,0	10,8%	France	270,2627	407,3647	-137,1	-50,7%
Egypt	250,2	253,4	-3,2	-1,3%	Germany	593,766	768,4811	-174,7	-29,4%
Ethiopia	17,6	23,2	-5,7	-32,3%	Italy	312,2907	429,0079	-116,7	-37,4%
India	3062,8	2543,2	519,5	17,0%	Japan	986,9101	1142,2994	-155,4	-15,7%
Indonesia	762,4	728,2	34,2	4,5%	UK	307,8262	487,0998	-179,3	-58,2%
Iran	789,7	668,6	121,1	15,3%	USA	4918,4067	5431,6589	-513,3	-10,4%
Russia	1733,1	1406,0	327,2	18,9%	Total G7	7934,9	9185,9	-1250,9	-15,8%
Saudi Arabia	677,4	654,1	23,3	3,4%					
South Africa	436,6	325,4	111,2	25,5%					
UAE	210,4	248,1	-37,6	-17,9%					
Total BRICS	20596,2	18177,2	2419,0	11,7%					



7. Reducing emissions where it is cost-efficient

- Cutting emissions in developing countries is several times cheaper than in developed ones
- The global community must create conditions that direct capital flows to where emission reductions are most efficient
- In the ideal situation, any company should be able to reduce emissions on the territory of any BRICS country to offset its emission reduction efforts

Marginal costs of GHG emissions reduction by regions





From just transition of energy systems to just transition of societies

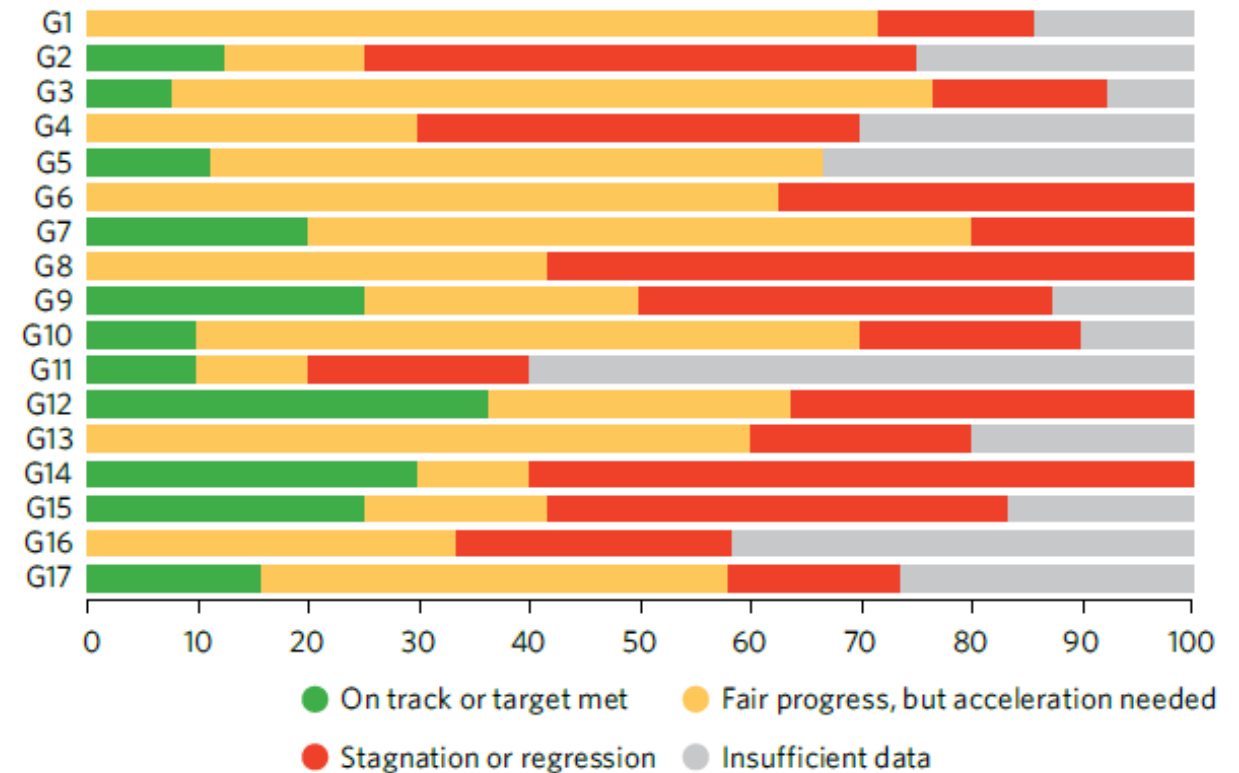
Rethinking the sustainable development agenda

- Current SDGs will not be met
- Simply extending or updating existing goals is insufficient
- A new, meaningful framework is urgently needed

BRICS as a key actor

- BRICS is uniquely positioned to lead this effort
- Could propose a new agenda via launching a “Club of Wisemen” (New Club of Rome)
- Ideas refined through BRICS Think Tank Council and ministerial groups
- Final proposal could shape discussions at the UN level

Progress assessment for the 17 Goals based on assessed targets, 2023 or latest data (percentage)





Institute for Economics of Natural
Resources and Climate Change



Thank you for your attention!

imakarov@hse.ru

